“A COMPARATIVE STUDY OF MARKETING PRACTICES OF ORGANIZED RETAIL OUTLETS IN NANDED AND LATUR CITY.”

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INRODUCTION:-

The retail involves the sale of good from single points (malls, markets, department store etc.) directly to the consumer in small quantities for his end u se. 'In a layman language retailing is nothing but transaction of good between the seller and the end uses as a single unit (piece) or is small quantity to satisfy the needs of the individuals and for his direct consumption.' Retailing stands for selling of goods and merchandise to end the customer for particular for particular place.

The retail sector classifying in two part first is unorganized retailing and second is organized retailing. An around of India unorganized retailing is 80% to 85% that means only 15% to 20% is an Organized retailing.

Retailing is the set of business activities that adds value to the products and services sold to consumers for their personal or family use. A retailer is a business that sells products and / or services to consumers for their personal or family use. Retailers are the final business in a distribution channel that links manufacturers to consumers. Retailing can be defined as an activity that ensures that customers derive maximum value from the buying process. This includes the steps needed to place the merchandise made elsewhere into the hands of customers or to provide services to the customers

The defiance between unorganized and organized retailing.

Unorganized retailing:-Unorganized retailing industries it's not registered with any government authorities that are no follows government rules and regulations. The unorganized retail sector to there is no government to Act to monitor the retail stores hence there are no government rules which are follows in unorganized retail

The employee working in unorganized sectors are paid on daily wages basis and the working hours are not fixed even if the employees working for the additional hours are than they are not paid for that the employer to paid the salary is less than organized sectored. Also there is no job security of unorganized retail sectors. He is not get any additional benefits and not got anany increment.

Unorganized retailing is defined as an outlet run locally by the owner or caretaker of a shop that lacks technical and accounting standardization. The supply chain and sourcing are also done locally to meet the local needs. Its organized counterpart may not obtain its supplies from local sources.

There are four types of unorganized retailing.

1) Mom and Pop stores / kirana stores.
2) Hawkers and Peddlers.

3) Street traders.
4) Market traders.

In smaller towns and urban areas, there are many families who are traditionally using these kirana shops / mom and pop stores offering a wide range of merchandise mix. Generally, these kirana shops are the family business of these small retailers which they run for more than one generation.

These kirana shops have their own efficient management system and with this they meet the needs of the customers. This is one of the good reasons why the customer does not want to change their old loyalty to kirana shops.

A large number of working class in India is working on daily wage basis. At the end of the day, when they get their wages, they come to this small retail shop to purchase their groceries for their meals. For them this is the only place to have those food items because purchase quantity is so small that no big retail store will entertain this.

Similarly, there is another consumer class which comprises the seasonal workers. During their period of unemployment, they purchase from kirana stores on credit and when they get their salary, they clear their dues. Now this type of credit facility is not available in corporate retail store. So these kirana stores are the only place for them to fulfil meet their needs.

Another reason might be the proximity of the store. It is convenient for the customer. In every corner of the street, an unorganized retail shop can be found and that is hardly a walking distance from the customer's house. 34 Many times, customers prefer to shop from the nearby kirana shop rather than to drive a long distance to organized retail stores.

These unorganized stores have number of options to cut their costs. They incur little to no real-estate costs because they generally operate from their residences.

Organized retailing:-Organized retail industries is a fulfill the following of all rules and regulations put forward by the government. Organized retailer are fulfill the all document and all formalities regarding to government rules and those stores are paid a properly / regular taxes to government.

The organized retail sectors are governed by various Acts. Like Bonus Act, Factory Act, Minimum wages Act, and Provident Fund Act, etc. Also there retail outlet need various licenses. Like shop and establishment license, trade license, labor license etc.

The employee of organized sectors gets regular salary and wages. Their eligible for provident fund and other benefits for the organization. The job of the employees is secured in the organization retailing industries. Also given the increment of annual basis and got commission and incentives in his performance and their employees got additional benefits such as pensions, medical facilities, leaves, compensation, etc.

Types of organized retailing.

1) Specialty Stores.

2) Departmental stores.
3) Discount Stores.
4) Convenience Stores.
5) Super Market.
6) Hyper Market.
7) Malls.
8) Multi Brand outlets.

1) Speciality stores :- Chains such as the Bangalore based Kids Kemp, the Mumbai books retailer crossword, RPG‟s music world and the times group's music chain planet M, are focusing on specific market segments and have established themselves strongly in their sectors.

2) Department stores: - Department stores are large stores ranging from 20,000-50,000 sq. ft., catering to a variety of consumer needs. Further, it is classified into localized departments such as clothing, toys, home, groceries etc. Departmental stores are expected to take over the apparel business from exclusive brand showrooms. Among these, the biggest success is K Raheja's shoppers stop which started in Mumbai and now has more than seven large stores (over 30,000 sq. ft) across India and even has its own in store brand for clothes called Stop.

3) Discount Stores :- As the name suggests, discount stores or factory outlets offer discounts on the MRP through selling in bulk reaching economies of scale or excess stock left over at the season. The product category can range from a variety of perishable/ non-perishable goods.

4) Convenience Stores: - Convenience Stores are relatively small stores of 400-2,000 sq. feet located near residential areas. They stock a limited range of high-turnover convenience products and are usually open for extended periods during the day, seven days a week. Prices are slightly higher due to the convenience premium.

5) Super Markets: - Large self service outlets, catering to varied shopper needs are termed as Supermarkets. These are located in or near residential high streets. These stores today contribute to 30 per cent of all organized food and grocery organized retail sales. Super markets can further be classified into mini 31 supermarkets typically 1,000 sq. ft. to 2,000 sq. ft. and large supermarkets ranging from 3,500 sq. ft. to 5,000 sq ft. having a strong focus on food and grocery and personal sales. E.g. Food World, Subhisksha, Spencer’s

6) MBOs: Multi Brand outlets, also known as Category Killers, offer several brands across a single product category. These usually do well in busy market places and metros.

7) Malls: Malls are the largest form of organized retailing today located mainly in metro cities, in proximity to urban outskirts. They range from 60,000 sq. ft. to 7, 00,000 sq. ft. and above. They lend an ideal shopping experience with an amalgamation of product, service and entertainment, all under a common roof. Examples include Shoppers Stop, Pyramids, and Pantaloons.

NEED OF THE STUDY

Multinational and indigenous organized retailers have entered the unorganized retail industry in the emerging economies. Although their entry has improved the well-being of shoppers, there is also an adverse impact like conflict between existing local small businesses and newer and larger business entrants. This in turn might have an impact on the social structure and values in a country. Inspire of these adverse effects, it is found that the organized retailers continue to grow in emerging economies like India. On one extreme, there are small kirana stores located in convenient places, offering personalized services and quality products and on the other extreme, there are large mega stores and hypermarkets offering one-stop convenience at lower price, but at less personalized services.

When it is narrowed down to grocery shoppers, customers are faced with decisions to make a choice between different types of retail formats like stores of varying sizes, discount stores, supermarkets and hypermarkets. In India, the 35 organized retailers are entering the grocery market at a rapid rate and posing a threat to the livelihood of kirana shop-owners. The Indian consumers are highly price sensitive which forces the market players to operate on razor thin margins. It is important to find out how a retailer is represented in the minds of the consumer and what differentiates one retail experience from another. It is also important to analyse whether a retail business meets the customer needs and expectations which can be measured by aspects like retail service quality, customer satisfaction and customer loyalty. It is highly essential to examine the customers‟ view on the retail service quality in various retail outlets and its linkage with their satisfaction and loyalty towards the retail outlets.

OBJECTIVES OF STUDY:-

1) To know the innovative marketing practices adopted by organized retailers in Nanded and Latur City.

2) To know which marketing strategy is most profitable for organized retail outlet.

3) To know the characteristic of organized retailing.

4) To know the difference between organized retailing and unorganized retailing.

HYPOTHESIS:-

1) Adequate infrastructure facilities are not provided by organized retailing.

2) Adequate customer services are not provided by organized retailer to its customer.

3) An around of Nanded and Latur City major retailing market is covered by unorganized sector.

4) Organized retail sector fulfills and follows all rules and regulations put forward by the government.

5) Indian retail industry is one of the fastest developing industries.

RESEARCH METHODOLOGY AND DATA COLLECTION:-

The data collection for this project will be both primary as well as secondary data.

1) **Primary Data: -** the primary data will be collected by the interview methods by using a structured questionnaire as well as personal interview of those persons which are organized retailer in Nanded and Latur City.
2) **Secondary Data: -** journal, magazines, and international books in these area, various review papers as well as official websites will be used for data collection.

Data Analysis:- the secondary data and primary data shall be analyzed by adopting the suitable statistical techniques to draw conclusion and findings. The hypothesis will be tested by applying suitable statistical techniques.

SCOPE OF THE STUDY:-

1) **Periodical Scope:** The periodical scope of this research will be 5 years i.e.2018 to 2023.

2) **Geographical Area:** The geographical scope of the study will be India in general and Nanded and Latur City.

3) **Operational Scope:** The operational scopes of the study is limited to organized retail outlets. (Ex. D-Mart, Big-Bazar ,SS. Vishwa etc.)

CHAPTER SCHEME:-

1) Introduction.
2) Research methodology.
3) Review of Literature.
4) Management and Administration structure of organized retail outlet.
5) Innovative retail marketing practices.
6) Impact of management practices of organized retail outlet customer
7) Finding and suggestions.

The about chapter scheme is tentative. Depending on the actual research work it may change in the course of the study.

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